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Bayou Fraud Sentencing Statement updated.doc

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USDS SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #: _____
DATE FILED: <u>4/18/08</u>

Subject:

United States v. Samuel Israel, Case No. 2004R01733 and Court Docket 05 CR 1039
United States v. Daniel Marion, Case No. 2005R02104 and Court Docket 05 CR 1036
United States v. James Marquez, Case No. 2006R02194 and Court Docket 05 CR 1138

Also referencing a resultant case:

Bayou Group, LLC
Case No: 06-22306 (ASH)
United States Bankruptcy Court
Southern District of New York

Attorneys of the DOJ and Honorable Judges:

My wife and I would like to thank the DOJ attorneys and the Honorable Colleen McMahon to inviting us to comment and add to the sentencing process.
First of all, thank you for formally recognizing and declaring that my wife and I are victims of the Bayou fraud committed by these three men.
Second, to extend the courtesy of expressing and adding our personal perspective to the case regarding efforts of the attorneys of the Department of Justice and the honorable Judge Colleen McMahon to weigh the emotional, financial, and physical stress we endured due to additional litigation the Bayou Funds have created.

The fraud these three men via the Bayou Funds committed has lead to a situation where the redeeming participants of the Bayou fund have become entangled in a legal nightmare not of their own doing. I am referencing the case of:

Bayou Group, LLC
Case No: 06-22306 (ASH)
United States Bankruptcy Court
Southern District of New York

In the case you are litigating against the three men, in the words of your own May 29 memo we are declared victims of a fraud.

Then the very same legal system turns on us after calling us victims.

It sues us to recover the moneys lost by Bayou, thereby once again making us double victims.

We are ordinary people, retired and had our life savings entrusted to Bayou. We do not have the luxury of time to recoup our losses. Considering everything that has happened, we see ourselves not only defrauded by Bayou but also severely damaged by the legal system that somehow is managing to make us the guilty party. We have to endure a legal suit to make up for the missing \$120,000,000 these three men managed to fraudulently hide or lose.

To defend ourselves, we had to hire attorneys and absorb the triple damage and the additional burden of having to defend ourselves at a cost that our own attorney projects to come to \$125,000. We already paid out \$25,000 in legal fees and the tab just keeps mounting. At this stage, we see ourselves as triple victims.

The anxiety and stress from this on-going Bayou case has resulted in my wife not being able to sleep at night wondering what will happen to our finances and our retirement.

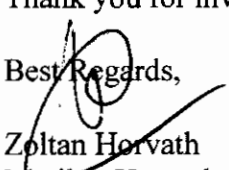
It was our hard-earned savings over the years that Bayou has jeopardized.

There is also the constant and never ending worry of what will happen to us innocent bystanders who were dragged into this legal tangle from which there seems to be no logical escape. There is the constant grind, already more than a year long, of the legal process that just seems to go on and on, all consuming without any recognition the financial, emotional, and mental burden it is placing on innocent bystanders. All because of what these three men have done.

We are hopeful for a common sense resolution. I hope the DOJ attorneys and the court appreciate enormity of the damage these three men had on our life. First with the fraud itself, then burden of having to endure the Bayou recovery suit. This legal entanglement created a crushing emotional, mental, financial and physical burden on my family. I hope the court takes into consideration the fallout on all the victims of the Bayou fraud.

Thank you for inviting us and allowing us to comment on this case.

Best Regards,


Zoltan Horvath
Marilyn Horvath